KEATS McFARLAND & WILSON LLP

ATTORNEYS AT LAW

TEL (310) 248-3830 FAX (310) 860-0363

9720 WILSHIRE BOULEVARD PENTHOUSE SUITE BEVERLY HILLS, CALIFORNIA 90212 WRITER'S DIRECT DIAL (310) 777-3725

WRITER'S EMAIL jjoyner@kmwlaw.com

www.kmwlaw.com

December 14, 2005

VIA FEDERAL EXPRESS

Shenzhen KXD Multimedia Co., Ltd. 5101 Commerce Drive Baldwin Park, CA 91706

Re: Koninklijke Philips Electronics N.V./DVD+RW, CD-R and CD-RW Properties

Dear Sir or Madam:

This letter is written to you and your company on behalf of Koninklijke Philips Electronics N.V. ("Philips"). Philips is a pioneer of optical recording technologies and products and is the owner of trademarks, patents, and other proprietary rights in and to such technologies and products (hereinafter the "Philips Properties"). The Philips Properties include, but are not limited to, trademark rights in and to the world famous Compact Disc Recordable (U.S. Reg. No. 2,712,766) (also known as "CD-R"), Compact Disc ReWritable (U.S. Reg. No. 2,718,596) (also known as "CD-RW"), and DVD+ReWritable (U.S. Reg. No. 2,610,036) (also known as "DVD+RW") marks, among others (hereinafter, collectively referred to as the "Logos"). Depictions of the Logos are enclosed with this letter.

Because of the foregoing rights, no one is authorized to manufacture, advertise, offer for sale or sell any products or engage in any conduct utilizing any of the Philips Properties, including the Logos, without the express written permission of Philips. Philips operates a number of licensing programs whereby certain trademark and patent rights are made available to manufacturers of the relevant technology under reasonable and non-discriminatory conditions. In order to affix or use any of Philips' Logos, an agreement must be obtained from Philips.

Notwithstanding this, it has come to our attention that you and your company are manufacturing, importing, advertising, distributing, offering for sale and/or selling, unauthorized merchandise (hereinafter referred to as "Counterfeit Products") including, but not limited to, CD-R, CD-RW and/or DVD+RW drives and/or recorders bearing Philips' Logos without Philips' written consent. It is also our understanding that you and your company will attend the 2006 International Consumer Electronics Show in Las Vegas, Nevada, USA ("CES"), and that your company intends to exhibit and offer for sale the Counterfeit Product at CES. Your unauthorized use of the Logos constitutes trademark infringement and unfair competition in that purchasers of your Counterfeit Products in question will erroneously believe that such merchandise is authorized by Philips. In addition, your Counterfeit Products dilute the distinctiveness of the Philips Properties and Logos by trading upon the goodwill and reputation which the public associates with the Philips Properties and Logos. Further, your acts of unfair competition substantially interfere with the merchandising and licensing of the Philips Properties and with the

December 14, 2005 Page 2

businesses of Philips and its licensees who are authorized to use the Philips Properties.

Moreover, the violators of such rights face, among other things, seizure of counterfeit products, injunctions, damages (which may be trebled), attorneys' fees, and, in appropriate circumstances, a criminal arrest. The Trademark Counterfeiting Act of 1984 specifically prohibits the distribution, offering for sale and sale of counterfeit merchandise and makes such activity punishable by fine of up to \$5,000,000 and a possible prison term of 10 years. 18 U.S.C. § 2320.

On behalf of Philips, we demand that you and each and every person or company affiliated with you:

- (1) Immediately and permanently discontinue the importation, manufacture, advertising, distribution, sale and offering for sale of all of your Counterfeit Products;
- (2) Refrain from exhibiting and/or offering for sale your Counterfeit Product, or conducting any business with respect to your Counterfeit Products, at the CES;
- (3) Immediately and voluntarily surrender to our firm your entire inventory of such Counterfeit Products on hand as of this date, including all advertising material, brochures, and the such that bear the Logos; and
- (4) Advise us in writing of your compliance with the foregoing and furnish us with the following information within five (5) days:
 - (a) A list describing each item manufactured, advertised, distributed, sold, and/or offered for sale by you which utilizes any of the Philips Properties;
 - (b) Any catalogs, promotional brochures or advertisements for any of the items listed in response to paragraph (a) above;
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Philips considers your conduct to constitute a serious violation of its rights and to be very damaging to its businesses and reputations. We have been instructed to pursue this matter fully and seek all available remedies and the maximum allowable damages against you.

December 14, 2005 Page 3

Please confirm that you have ceased to engage in the infringing conduct described above by signing this letter in the space provided below. Philips has authorized us to pursue further legal action against you and seek the relief to which it is entitled including a seizure of counterfeit products, injunction, damages (which may be trebled), and attorneys' fees unless we receive a comprehensive response from you on or before the close of business on **December 16**, 2005.

you on or before the close of business on December 16, 2005. Nothing in this letter shall be construed as a waiver or relinquishment of any right or remedy possessed by Philips or any other affected party, all of which are expressly reserved. Very truly yours, Jeffrey K. Joyner, of KEATS MCFARLAND & WILSON LLP JKJ:gps Enclosure Koninklijke Philips Electronics N.V. cc: I, ______, on behalf of myself, the company _____ and any other entities under my direction or control, hereby acknowledge that I have ceased manufacturing, importing, advertising, distributing, offering for sale and selling any goods which infringe the Philips Properties; and have complied with paragraphs (1)-(4) above. Signature Print Name

REGISTERED TRADEMARKS OWNED BY KONINKLIJKE PHILIPS ELECTRONICS N.V. DVD+RW, CD-R, and CD-RW









FedEx Express
Customer Support Trace
3875 Airways Boulevard
Module H, 4th Floor
Memphis, TN 38116

U.S. Mail: PO Box 727 Memphis, TN 38194-4643

Telephone: 901-369-3600

12/19/2005

Dear Customer:

The following is the proof of delivery you requested with the tracking number 853491545802.

Delivery Information:

Status:

Delivered

Delivery location:

5101 COMMERCE DR

Signed for by:

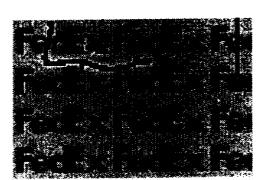
.LIU

Delivery date:

Dec 15, 2005 10:01

Service type:

Priority Envelope



Shipping Information:

Tracking number:

5101 COMMERCE DR

853491545802

Ship date:

Dec 14, 2005

Recipient:

Shipper:

JEFFREY JOYNER

KEATS MCFARLAND & WILSON LLP

9720 WILSHIRE BLVD PH

BEVERLY HILLS, CA 902122017 US

BALDWIN PARK, CA 91706 US

Reference

10282-00022

Thank you for choosing FedEx Express.

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FedEx Worldwide Customer Service 1.800.GoFedEx 1.800.463.3339

KEATS McFARLAND & WILSON LLP

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WRITER'S EMAIL jjoyner@kmwlaw.com

www.kmwlaw.com

December 14, 2005

VIA FEDERAL EXPRESS

Shenzhen Kaixinda Electronics Co., Ltd. 3/F, Block E, 210 Building Tairan Industrial District Chegongmiao, Shenzhen CHINA

Koninklijke Philips Electronics N.V./DVD+RW, CD-R and CD-RW Properties

Dear Sir or Madam:

Re:

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December 14, 2005 Page 2

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Moreover, the violators of such rights face, among other things, seizure of counterfeit products, injunctions, damages (which may be trebled), attorneys' fees, and, in appropriate circumstances, a criminal arrest. The Trademark Counterfeiting Act of 1984 specifically prohibits the distribution, offering for sale and sale of counterfeit merchandise and makes such activity punishable by fine of up to \$5,000,000 and a possible prison term of 10 years. 18 U.S.C. § 2320.

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- (2) Refrain from exhibiting and/or offering for sale your Counterfeit Product, or conducting any business with respect to your Counterfeit Products, at the CES;
- (3) Immediately and voluntarily surrender to our firm your entire inventory of such Counterfeit Products on hand as of this date, including all advertising material, brochures, and the such that bear the Logos; and
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December 14, 2005 Page 3

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Nothing in this letter shall be construed as a waiver or relinquishment of any right or remedy possessed by Philips or any other affected party, all of which are expressly reserved?

Very truly yours

Jeffrey K. Joyner, of

KEATS MCFARLAND & WILSON LLP

JKJ:gps Enclosure

Print Name

cc: Koninklijke Philips Electronics N.V.

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Signature	

REGISTERED TRADEMARKS OWNED BY KONINKLIJKE PHILIPS ELECTRONICS N.V. DVD+RW, CD-R, and CD-RW







HWA 1753, 01049,711, 040-5

State productions (ADM)

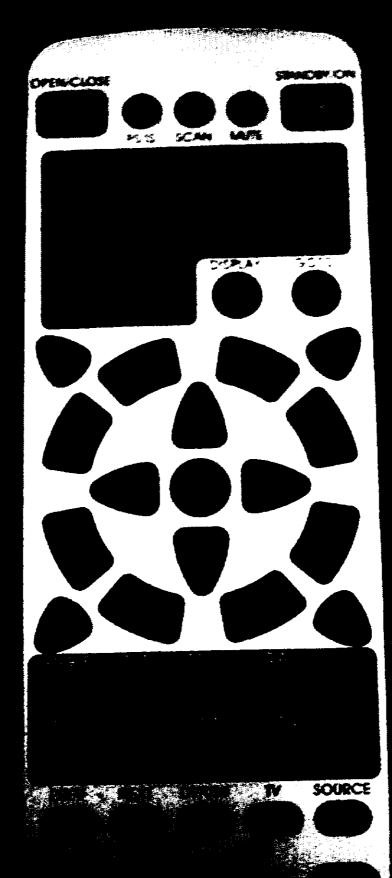


TASK.

D'A-2100

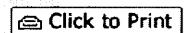
A THE RELIB, DVD+R/RW, DVD-R/RW

00000 000











2006 International CES Exhibitor Directory

Sungale

Sungale Group Inc. 13358 Monte Vista Ave.

Chino, CA 91710

USA

Telephone: 909-902-9282 Fax: 909-902-9283

E-mail: info@sungale.com
URL: http://www.sungale.com

With more than ten-year-experience as an OEM supplier, Sungale is developing market with a full line of CE & car A/V products, such as Receivers, DVDplayers, recorders, wireless DVD, portable DVD, HTiB, MP3 players, bluetooth, hi-end radios, HD Radios, IP Radios, MPEG4 PMP, Car Fridge, Car CD/DVD/SD/USB, Car display screen etc. Sungale looks forward to having more reps join the team to develop more business.

Company Booth(s): **Booth Number Show Location** 20344 South Hall 1 Ningjun Sun, President Company Contact(s): Debbie Zhang Rebecca Xie Brand Name(s): Sungale Audio - Portable Audio - Compressed Audio (Incl. MP3) **Product Categories:** Audio - Portable Audio - Portable Media Player Audio - Speakers Home Theater - Audio - Home Theater Speaker Surround Packages Mobile/Vehicle Electronics - Audio - Other Car Audio Equipment Mobile/Vehicle Electronics - Video - LCD Monitors Video - Video Hardware - DVD Players Video - Video Hardware - DVD Recordables Wireless Communications - Bluetooth-Based Devices New Product(s): None listed.

Export Market(s):

-xport market(s).

None listed.

Financial Exchange(s):

None listed.

2005 International CES:

Page 2 of 2

Public

Year-round

Debbie Zhang

Ph: 909 902 9282

On-site (at the show)

Debbie Zhang Ph: 909 902 9282

Investor

Relations Contact:

Relations Contact(s):

Debbie Zhang

Ph: 909 902 9282

Press Event(s):

None listed.

Attention exhibitors: Edit your directory listing.

[perform another search]

KEATS McFARLAND & WILSON LLP

ATTORNEYS AT LAW

TEL (310) 248-3830 FAX (310) 860-0363 9720 WILSHIRE BOULEVARD PENTHOUSE SUITE BEVERLY HILLS, CALIFORNIA 90212 WRITER'S DIRECT DIAL (310) 777-3725

WRITER'S EMAIL jjoyner@kmwlaw.com

www.kmwlaw.com

December 16, 2005

VIA FEDERAL EXPRESS

Sungale Group, Inc. 13358 Monte Vista Avenue Chino, CA 91710

Re: Koninklijke Philips Electronics N.V./DVD+RW, CD-R and CD-RW Properties

Dear Sir or Madam:

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December 16, 2005 Page 2

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- (4) Advise us in writing of your compliance with the foregoing and furnish us with the following information within five (5) days:
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 - (b) Any catalogs, promotional brochures or advertisements for any of the items listed in response to paragraph (a) above;
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December 16, 2005 Page 3

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REGISTERED TRADEMARKS OWNED BY KONINKLIJKE PHILIPS ELECTRONICS N.V. DVD+RW, CD-R, and CD-RW









FedEx Express
Customer Support Trace
3875 Airways Boulevard
Module H, 4th Floor
Memphis, TN 38116

U.S. Mail: PO Box 727 Memphis, TN 38194-4643

Telephone: 901-369-3600

12/23/2005

Dear Customer:

The following is the proof of delivery you requested with the tracking number 853491545710.

Delivery Information:

Status:

Delivered

Delivery date:

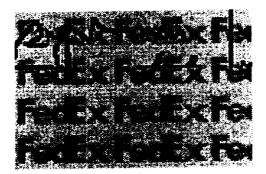
Dec 19, 2005 08:51

Signed for by:

R.XU

Service type:

Priority Envelope



Shipping Information:

Tracking number:

853491545710

Ship date:

Dec 16, 2005

Recipient:

CHINO, CA US

Shipper:

BEVERLY HILLS, CA US

Reference

10288-00022

Thank you for choosing FedEx Express.

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KEATS McFARLAND & WILSON LLP

ATTORNEYS AT LAW

TEL (310) 248-3830 FAX (310) 860-0363

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WRITER'S EMAIL ijoyner@kmwlaw.com

www.kmwlaw.com

December 16, 2005

VIA FEDERAL EXPRESS

Sungale Electronics (Shenzhen) Ltd.
Yangyong Industrial Park
Baoan District
Shenzhen
P.R. CHINA

Re: Koninklijke Philips Electronics N.V./DVD+RW, CD-R and CD-RW Properties

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Jeffrey K. Joyner, of

KEATS MCFARLAND & WILSON LLP

JKJ:gps Enclosure

cc: Koninklijke Philips Electronics N.V.

manufacturing importing ac	, on behalf of myself, the company, ny direction or control, hereby acknowledge that I have ceased vertising, distributing, offering for sale and selling any goods which infringe we complied with paragraphs (1)-(4) above.
the Philips Properties, and na	C Compiled with paragraphs () ()
Signature	
Print Name	

REGISTERED TRADEMARKS OWNED BY KONINKLIJKE PHILIPS ELECTRONICS N.V. DVD+RW, CD-R, and CD-RW







5 329283 PHCE 01

Jeffrey K., Joyner KEATS MCFARILAND & WILSON LLP 9720 WILSHIRE BOULEVARD PENTHOUSE SUITE BEVERLY HILLS, CALIFORNIA 90212

Dec 19, 2005

DEC 13 5002 18:38

Dear Sir or Madam:

RE: YOUR LETTER DATED DEC 16, 2005

I am surprised to receive your above letter. I would like to declare as follows:

- 1. Sungale Group Inc is not a manufacturer.
- 2. Sungale Group Inc is a distributor, he buy products from importers.
- 3. We did not find any our current products are with Philips logo.
- 4. Our CES booth is located at

South Hall 1, No. 20344 Las Vegas Convention Center.

You are welcome to visit our booth.

Best regards

Dawson Huang

Sungale Group inc

Dauson

EROM : FMOISONIC EAX NO. : 9099029283

Re: DVD Recorder Case 2:05-cv-01532-RLH-GWF Document 11-3 Filed 12/28/05 Page 26 of 33

Page 1 of 1

This message has been scanned for known viruses.

From: David-Sungale Group

To: momentumsys@aol.com

Subject: Re: DVD Recorder

Date: Thu, 22 Dec 2005 14:38:34 -0800

Yes, we'll bring this model to CES. You can have a look there.

Best regards,

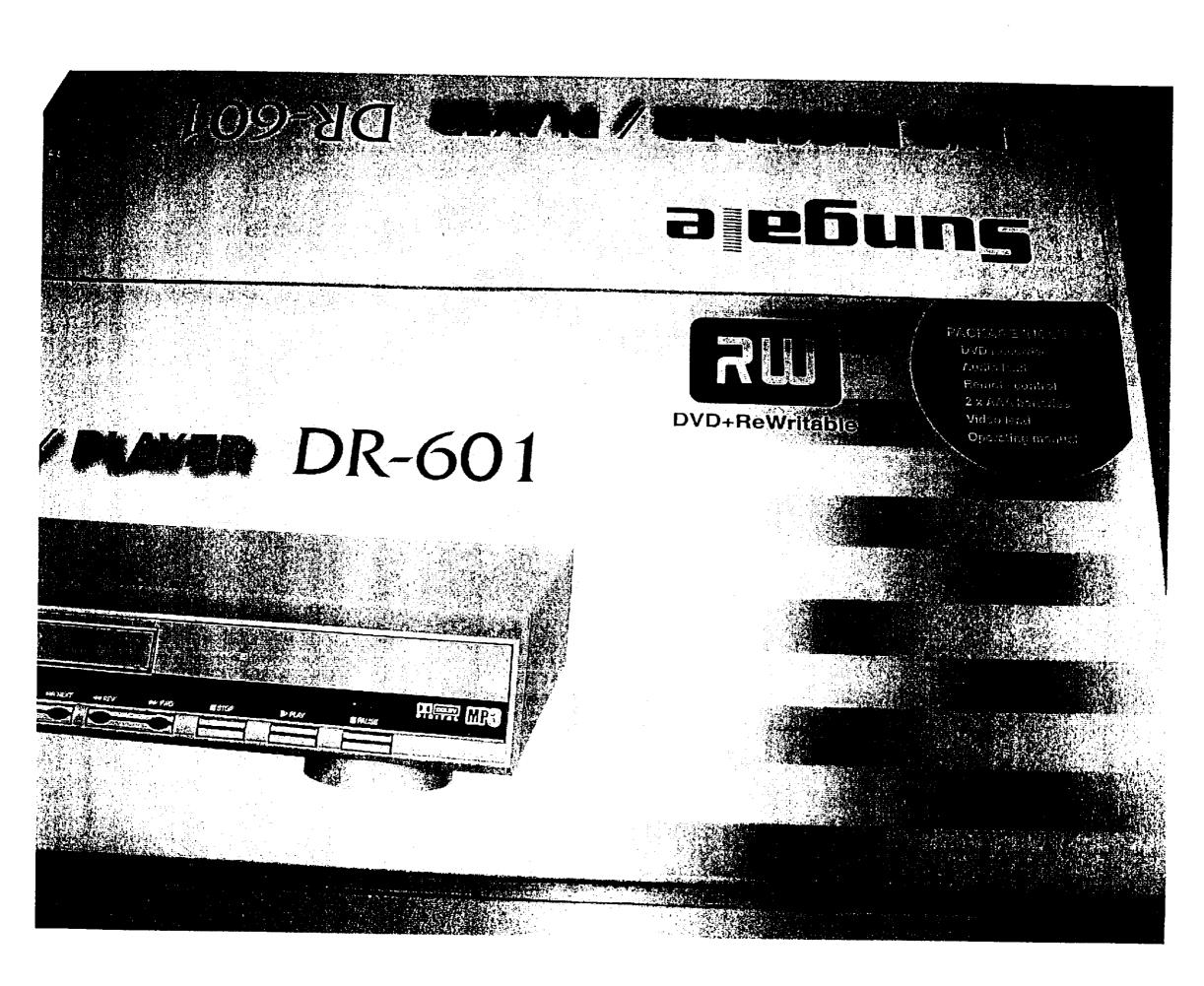
David Peng

Sungale Group Inc. Amoisonic Electronics Inc. 13358 Monte Vista Ave. Chino, CA 91710 Tel: 909-9029282 ext.112 Fax: 909-9029283

----Original Message---Sent:2005-12-22 13:28:50
Sender:momentumsys@aol.com
momentumsys@aol.com
You writed:

David, thanks for your help the other day, I really appreciate your time. My boss wanted to know if you will be bringing the DR603 to the CES Show? So that he can take a look at. Its the one you didn't have in stock but will be available in the first quarter.

Thanks, Chris

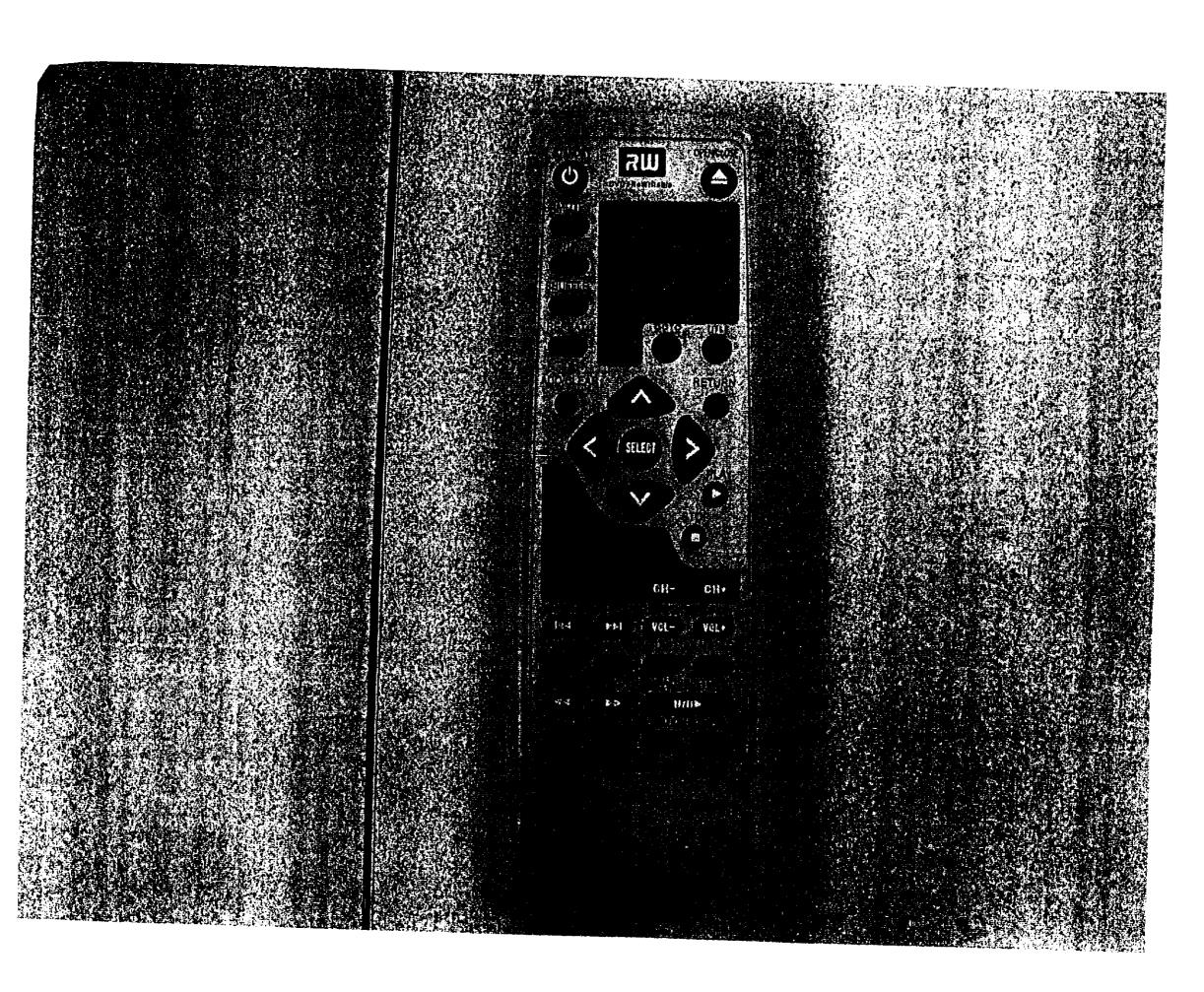




Chelane Hirton



DR-001 DVD BECOND



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DVD PLAYER & RECO

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